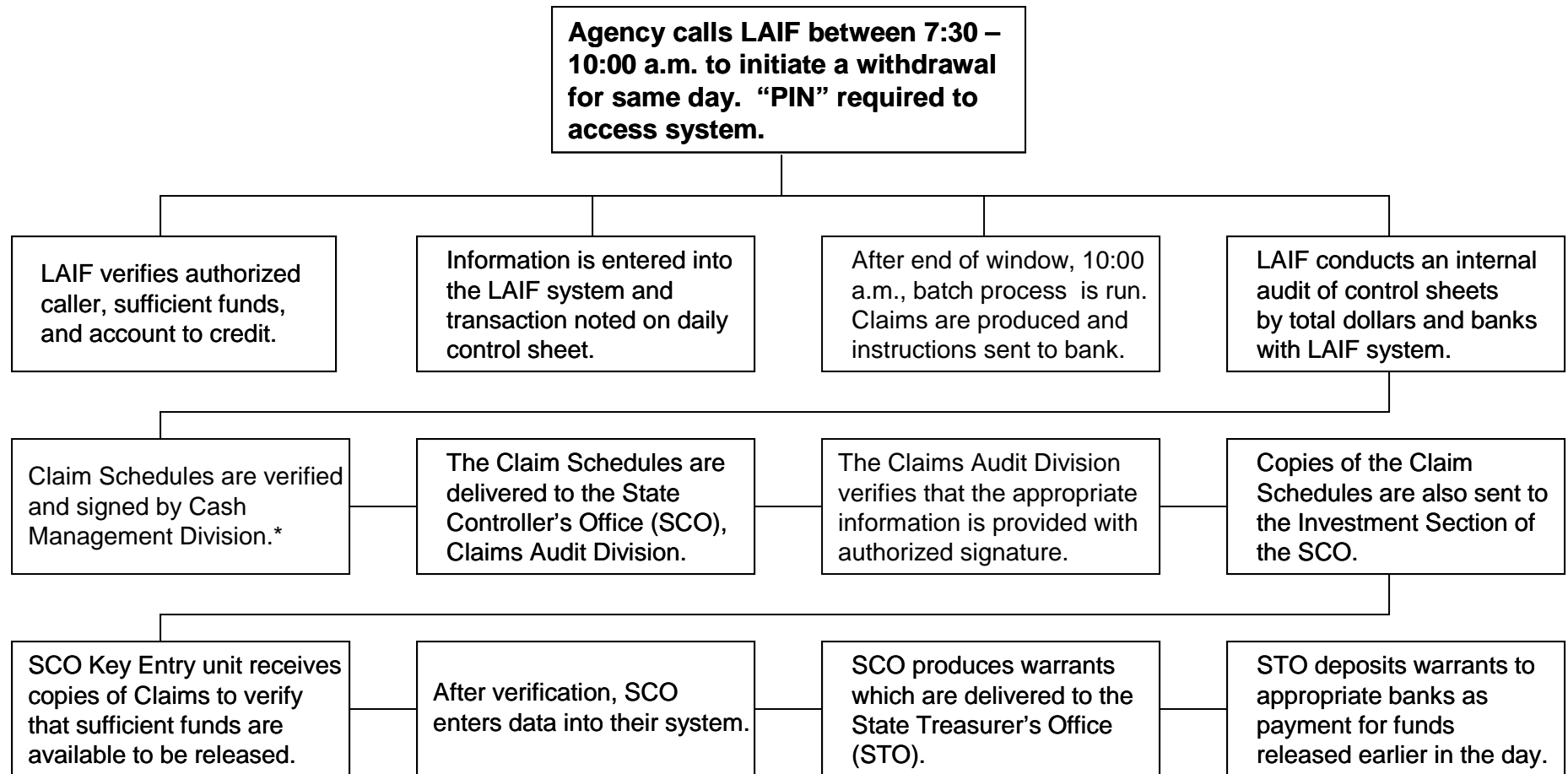

Audit Process

The State Treasurer's Office is audited by the Bureau of State Audits on an annual basis. The resulting opinion is posted on the STO website at www.treasurer.ca.gov/laif following its publication. The Bureau of State Audits also has a continuing audit process throughout the year. All investment and LAIF claims are audited on a daily basis by the State Controller's Office as well as an in-house audit process involving three separate divisions.

State Treasurer's Office

Audit Process for Withdrawals from LAIF

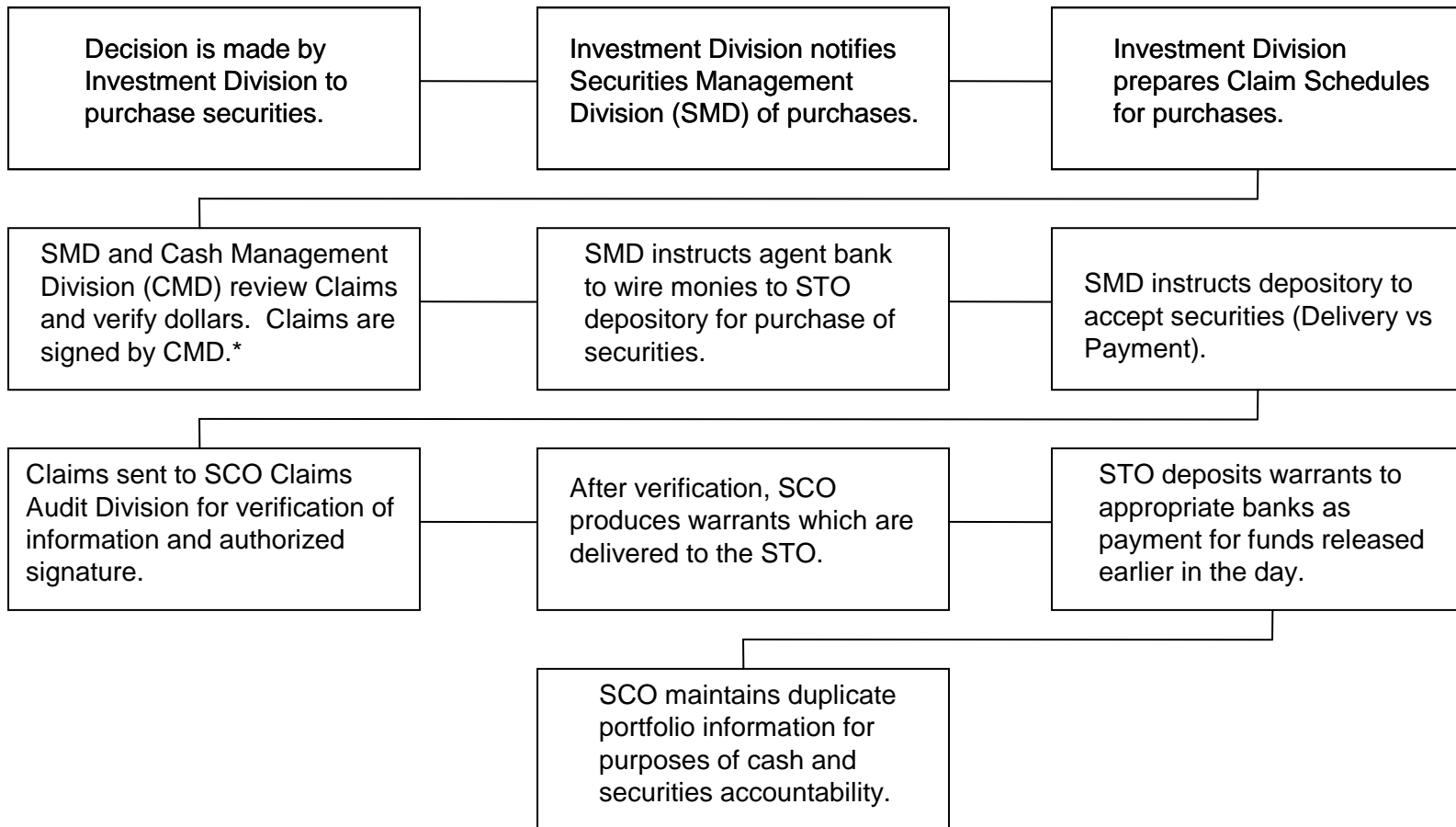


- * Divisions producing Claim Schedules may NOT sign to authorize payment.
SCO has authorized signature cards on file.
ALL CLAIMS APPROVED AND PROCESSED BY 2:30 P.M. SAME DAY.

State Treasurer's Office

Pooled Money Investment Account (PMIA)

Claim Schedule Audit Process for Purchases



- * Divisions producing Claim Schedules may NOT sign to authorize payment.
SCO has authorized signature cards on file.
ALL CLAIMS APPROVED AND PROCESSED BY 2:30 P.M. SAME DAY.